



**CITY OF CANALOU, MISSOURI  
YEAR ENDED DECEMBER 31, 2001**

**From The Office Of State Auditor  
Claire McCaskill**

**Report No. 2002-49  
July 8, 2002  
[www.auditor.state.mo.us](http://www.auditor.state.mo.us)**

**AUDIT REPORT**



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

July 2002

The following problems were discovered as a result of an audit conducted by our office of the City of Canalou, Missouri.

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During 2001, the City of Canalou spent more than it received in the General Fund. If this trend continues, the city's reserves will be depleted and the city will be unable to provide basic services in the future. The General Fund had a negative balance for five months and the Street Fund reserves were used to cover the shortfall.

The Board of Aldermen does not prepare an annual budget. Additionally, the city does not publish semi-annual financial statements, nor has it submitted an annual financial report to the State Auditor's Office since 1997, as required by state law.

As of January 31, 2002, the amount of 2001 property taxes delinquent was \$1,647 or 29 percent of the total taxes assessed in 2001. The City Collector prepares monthly reports of taxes collected; however, she does not prepare annual reports showing taxes collected and delinquent taxes as required by state law.

The Street Fund is restricted for the maintenance, repairs, and policing of the city's streets. In December 2000, the city used \$4,000 from the Street Fund to purchase a fire truck. In 2001, the city used approximately \$3,200 for trash removal, lot clean up, and gasoline and propane purchases for the city. The city was unable to justify the use of the Street Fund for these items.

The elected City Collector has also been appointed City Clerk and City Treasurer. As a result, the duties of cash custody and record keeping are not adequately segregated.

Also included in the audit are recommendations related to bidding procedures, accounting controls and procedures, disbursements, contracts, fixed assets, board meetings and minutes, and ordinances.

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YELLOW SHEET

CITY OF CANALOU, MISSOURI

TABLE OF CONTENTS

		<u>Page</u>
STATE AUDITOR'S REPORT .....		1-3
MANAGEMENT ADVISORY REPORT - STATE AUDITOR'S FINDINGS.....		4-17
<u>Number</u>	<u>Description</u>	
1.	Accounting Controls and Procedures.....	5
2.	Property Taxes .....	6
3.	Financial Reporting, Budgeting, and Planning .....	7
4.	Expenditures .....	9
5.	Board Minutes and Meetings .....	12
6.	Fixed Assets .....	14
7.	Ordinances .....	15
8.	Park Board and Volunteer Park Department.....	16
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION.....		18-21

STATE AUDITOR'S REPORT



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

To the Honorable Mayor  
And  
Board of Aldermen  
City of Canalou, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the city of Canalou, Missouri. The scope of our audit of the city included, but was not necessarily limited to, the year ended December 31, 2001. The objectives of this audit were to:

1. Perform procedures to evaluate the petitioners' concerns.
2. Review compliance with certain legal provisions.
3. Review certain management practices.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed minutes of meetings, written policies, financial records, and other pertinent documents and interviewed various personnel of the city.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in the audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the city of Canalou, Missouri.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill  
State Auditor

March 29, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report.

Director of Audits: Thomas J. Kremer, CPA

Audit Manager: Alice M. Fast, CPA

In-Charge Auditor: Douglas P. Robinson

MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

CITY OF CANALOU, MISSOURI  
MANAGEMENT ADVISORY REPORT-  
STATE AUDITOR'S FINDINGS

<b>1. Accounting Controls and Procedures</b>
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- A. The elected City Collector has also been appointed City Clerk and City Treasurer. As a result, the duties of cash custody and record keeping are not adequately segregated. The Collector's duties include receiving monies, posting receipts and disbursements in the ledger, preparing and making bank deposits, preparing checks, performing month-end reconciliations, and preparing financial reports.

Neither the board nor other personnel independent of the cash custody and record keeping functions provide adequate supervision or review of the work performed by the City Collector.

Attorney General's Opinion No. 24, 1955 to Dodds, concluded that in a fourth-class city, the holding of the positions of City Clerk, City Treasurer, and City Collector, or any two of these three offices, by the same person at the same time is incompatible. One person holding all of these offices does not allow the separation of duties necessary for a proper evaluation and review of financial transactions. The current procedures jeopardize the system of independent checks and balances intended by state law.

To adequately safeguard assets, the cash custody and record keeping functions should be segregated where possible. If functions cannot be segregated due to the size of the staff, timely supervisory or independent review of work performed and investigation into unusual items and variances is necessary.

- B. Monies received were not deposited intact or on a timely basis. We noted \$664 received in June and July was not deposited until August 13, 2001, and \$338 received in August was not deposited until October 3, 2001.

To adequately safeguard receipts and reduce the risk of loss, theft or misuse of funds, monies should be deposited intact daily or when accumulated receipts exceed \$100.

- C. Interest earned on the combined General Fund and Street Fund bank account is not allocated between the two funds. Currently, all interest earnings are allocated to the General Fund. During the year ended December 31, 2001, the city earned \$72 in interest; however, during this time, the General Fund had a lower balance than the Street Fund and for five months actually had a negative balance.

The proper allocation of interest on a monthly basis is necessary to ensure that all funds receive their fair share.

- D. City officials handling receipts and disbursements are not bonded. The Collector/City Clerk receives money and designated board members co-sign checks along with the Mayor. Failure to bond individuals with access to assets exposes the city to risk of loss.

**WE RECOMMEND** the Mayor and Board of Aldermen:

- A. Consider appointing separate individuals as City Clerk and City Treasurer. If this is not possible, at a minimum, procedures for an adequate independent review of the record keeping functions should be established.
- B. Require receipts be deposited intact on a daily basis or when accumulated receipts exceed \$100.
- C. Ensure interest is allocated to each fund based upon the monthly balance in that fund.
- D. Consider obtaining bond coverage for all individuals handling city monies.

**AUDITEE'S RESPONSE**

*The Board of Aldermen indicated:*

- A. *They will go over the financial records monthly.*
- B. *The city will make more timely deposits.*
- C. *They have already started allocating interest to each fund based upon the monthly balance in that fund.*
- D. *They will look into having the individuals who handle the money be bonded.*

<b>2. Property Taxes</b>
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As of January 31, 2002, the amount of 2001 property taxes delinquent was \$1,647 or 29 percent of the total taxes assessed in 2001. In addition, there are taxes from previous years that remain uncollected.

- A. The City Collector prepares monthly reports of taxes collected; however, she does not prepare annual reports showing taxes collected and delinquent taxes. Sections 79.310, 94.320, and 94.330, RSMo 2000, require the City Collector to prepare monthly and annual reports to the Board of Aldermen of the amount of taxes collected and prepare annual lists of delinquent taxes including a detailed list of persons who have not paid. The board is to examine and approve the reports and charge the City Collector with the collection of the delinquent taxes.

Section 94.330, RSMo 2000, also provides that the board may declare worthless all personal delinquent taxes which they may deem uncollectible.

Monthly and annual reports, which comply with state law, would help provide assurance taxes have been properly collected, written off, or determined to be delinquent. Such a report would summarize all taxes charged to the City Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts. Without such a report examined by the board, any errors or irregularities that might occur are likely to go undetected.

- B. Several city officials were delinquent in paying their 2001 and 2000 property taxes. The former Mayor, Larry Graham, did not pay his 2000 property taxes until September 2001. The current Mayor, Charles Joyce, did not pay his 2000 property taxes until August 2001. Alderman Gary Deen paid his 2001 taxes in April 2002 and Alderwoman Rebecca Laster paid her 2001 property taxes in May 2002.

Officials should set an example for the residents of the city. By not paying their taxes on a timely basis, badly needed revenues are lost that might otherwise benefit the city's economical growth and well being.

**WE RECOMMEND** the Mayor and Board of Aldermen:

- A. Require the City Collector to prepare and maintain detailed monthly and annual reports of taxes collected and delinquent taxes. In addition, the reports should be reviewed and approved by the Board of Aldermen.
- B. Require all city officials to pay their property taxes on a timely basis.

**AUDITEE'S RESPONSE**

*The Board of Aldermen indicated:*

- A. *They will require the City Collector to prepare a quarterly report and an annual report, and report on all delinquent taxes.*
- B. *They have an ordinance to this effect and they plan to enforce the ordinance.*

<b>3. Financial Reporting, Budgeting, and Planning</b>
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- A. The Board of Aldermen does not prepare an annual budget. Without an annual budget, city officials can not adequately monitor receipts and disbursements. Chapter 67 of the Missouri Statutes requires each political subdivision of the state to prepare an annual budget. In addition, Sections 67.010 to 67.040, RSMo 2000, set specific guidelines as to the format and approval of the annual operating

budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost and revenue expectations for each area of the city operations and provide a means to effectively monitor actual costs and revenues. It will also assist in setting tax levies and informing the public about the city's operations and current finances.

- B. During 2001, the city spent more than it received in the General Fund. If this trend continues, the city's reserves will be depleted and the city will be unable to provide basic services in the future. As indicated in MAR 1, the General Fund had a negative balance for five months and the Street Fund reserves were used to cover the shortfall. In addition, had the expenses noted in MAR 4 been paid from the General Fund, as required, instead of the Street Fund, the balance in the General Fund would be even lower.

The Board of Aldermen and Mayor should attempt to maximize receipts as addressed in MAR's 2 and 7, and should evaluate disbursements. In addition, as noted in A. above, the Board should prepare annual budgets to effectively monitor actual costs and revenues.

- C. An annual maintenance plan for city streets has not been prepared. A formal maintenance plan should be prepared in conjunction with the annual budget and include a description of the roads to be worked on, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information. The plan should be included in the budget message and be approved by the board. In addition, a public hearing should be held to obtain input from the city residents.

A formal maintenance plan would serve as a useful management tool and provide greater input into the overall budgeting process. Such a plan provides a means to more effectively monitor and evaluate the progress made in the repair and maintenance of streets throughout the year. Chapter 4, Section 16 of the city's ordinance book states it is the responsibility of the Mayor to appoint a committee of two aldermen, who at all times, should know the condition of the streets and what repairs need to be done.

- D. The city does not publish semiannual financial statements. Section 79.160, RSMo 2000, requires the Board of Aldermen to prepare and publish semiannual statements of receipts, expenditures, and indebtedness of the city. In addition, Section 79.165, RSMo 2000, states the city cannot legally disburse funds until the financial statement is published.

- E. The city has not submitted an annual financial report to the State Auditor's Office since 1997. Section 105.145, RSMo 2000, requires political subdivisions to file an annual report of the financial transactions of the political subdivision with the State Auditor's Office.

**WE RECOMMEND** the Mayor and Board of Aldermen:

- A. Prepare a complete and accurate annual budget document that contains all information required by state law and/or necessary to provide a complete financial plan for the city.
- B. Ensure steps are taken to maximize receipts and eliminate fund shortfalls.
- C. Prepare and document a maintenance plan at the beginning of the year and periodically update the plan throughout the year. In addition, the Board should review the progress made in the repair and maintenance of roads to make appropriate decisions on future projects.
- D. Prepare and publish semiannual financial statements in accordance with state law.
- E. Submit annual reports of financial transactions to the State Auditor's Office as required by state law.

**AUDITEE'S RESPONSE**

*The Board of Aldermen indicated:*

- A. *They plan to work on a budget for the year 2003.*
- B. *They will attempt to maximize receipts and eliminate budget shortfalls by ensuring delinquent property taxes are collected and vehicle sticker and dog tag ordinances are enforced. They will also evaluate disbursements and monitor their cash balance.*
- C. *They plan to prepare and document a maintenance plan beginning with 2003, and they will update the plan throughout the year.*
- D. *A financial report has already been prepared for the year 2001 for the city of Canalou and a six month report will be prepared in July 2002.*
- E. *The annual financial report for the State Auditor's Office will be sent in the next 30 days.*

**4.**

**Expenditures**

- A. We noted several questionable disbursements from the Street Fund. In December 2000, the city used \$4,000 from the Street Fund to purchase a fire truck. In 2001, the city made the following payments from the Street Fund:

- \$2,418 to purchase propane to heat city hall
- \$214 to pay for trash removal
- \$250 to clear a property lot
- \$305 to purchase gasoline for the fire truck and former Mayor's personal car

The Street Fund is restricted for the maintenance and repairs of the city's streets. The city was unable to justify the use of the Street Fund for these items. Article IV, Section 30 of the Missouri Constitution, requires motor vehicle-related receipts apportioned by the state of Missouri be expended for street related purposes only including constructing, repairing, policing, signing, lighting and cleaning of the roads and streets.

B. Adequate documentation was not available to support some disbursements and no supporting documentation was available for other disbursements. These disbursements were for a variety of items including:

1. The former Mayor and his wife charged \$146 in gasoline purchases to the city from January 1 through September 3, 2001. Per the City Collector, the former Mayor and his wife went to Sikeston to pick up supplies for the city. However, documentation was not provided supporting these trips. The former Mayor indicated these purchases were for city business including gasoline for the mower and trimmer and for trips to purchase supplies for the city.
2. The former Mayor received an advancement of \$250 to cover expenses while on a trip to Jefferson City. Receipt slips, invoices, and cash totaling \$228 were returned to the city. No support was provided for the remaining \$22.
3. The city approved and paid \$100 to the former City Marshal to cover the cost of fuel for his truck to haul off trash and rubble located on city property. The city did not require any documentation indicating the amount of fuel purchased.

All disbursements should be supported by detailed expense accounts, paid receipts, contracts, or vendor provided invoices to ensure the obligations were actually incurred and the disbursements represent appropriate uses of public funds.

C. The city does not have a formal policy indicating the amounts city officials can spend without authorization from the board. While the board indicated there is an informal policy that allows the mayor to spend up to \$75 a month without board approval, the former Mayor indicated this amount is \$100 per month. In May 2001, the former Mayor authorized the clean up of a piece of property. The property owner and Board indicated this expenditure was not authorized; however, the former Mayor indicated he had the owner's authorization. When the bill, totaling \$420, was sent to the owners, they refused to pay. Per the June

meeting minutes, the Board then approved paying \$150 of this bill; however, the former Mayor authorized \$250 to be paid. The property owners paid the remaining \$170.

In addition, documentation for this transaction was not adequate. The bill was not detailed showing the number of hours worked and the cost per hour.

The Board of Aldermen should establish a formal policy regarding the amount the mayor can obligate the city without their prior approval. In addition, without detailed bills indicating the number of hours and the hourly rate, the city cannot ensure the validity and propriety of the amount billed.

- D. The city has no formal bid policy. Examples where the city made purchases without soliciting bids are as follows:

<u>Goods/Services Purchased</u>	<u>Cost</u>
Culverts	\$3,822
Electric Work	793

Formal bidding procedures for major purchases would provide a framework for economical management of city resources and help ensure the city receives fair value by contracting with the lowest and best bidders. Competitive bidding also helps ensure all parties are given equal opportunity to participate in the city's business. Bids can be handled by telephone quotation, by written quotation, by sealed bid, or by advertised sealed bid. Various approaches are appropriate, based on dollar amount and type of purchase. Whichever approach is used, complete documentation should be maintained of all bids received and reasons noted why the winning bid was selected.

- E. The city does not have a contract with their attorney outlining the types of services that are to be provided and at what cost. The city pays a retainer of \$25 per month to the attorney to represent the city during traffic court even though the city did not have a judge to hold traffic court. In addition, the city paid the attorney \$250 for representing the city on a case that went to the county for trial. The bill submitted was not detailed indicating the number of hours and the hourly rate charged to the city.

Written contracts should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. In addition, Section 432.070, RSMo 2000, requires contracts for political subdivisions to be in writing.

Without detailed bills indicating the number of hours and the hourly rate, the city cannot ensure the validity and propriety of the amount billed.

**WE RECOMMEND** the Mayor and Board of Aldermen:

- A. Ensure restricted funds are used as required by state law.
- B. Require proper and detailed documentation to support all disbursements.
- C. Establish a formal policy regarding the amount the Mayor can obligate without the prior approval of the Board of Aldermen. In addition, the Board of Aldermen should require adequate documentation to support billings including number of hours and cost per hour.
- D. Establish formal bidding policies and procedures, with provisions for documentation of the justification for selecting and rejecting bids.
- E. Enter into a written contract with the attorney detailing the duties to be performed and the costs associated with the service. In addition, the Board of Aldermen should require adequate documentation to support the attorney billings including number of hours and cost per hour.

**AUDITEE'S RESPONSE**

*The Board of Aldermen indicated:*

- A. *They agree that restricted funds will be used as required by law.*
- B. *They will require proper and detailed documentation to support all disbursements.*
- C. *They agree that no bill will be paid without the approval of the board, and the board is working on a form to be filled out by people who do work for the city.*
- D. *They will publish in the paper all large bids and will require documentation of all bids that are done by phone.*
- E. *They believe that the current business relationship they have with their city attorney is working just fine.*

<b>5. Board Minutes and Meetings</b>
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- A. Board meeting minutes are prepared by the City Clerk; however, they are not always signed by the City Clerk and are not signed by the Mayor. The minutes should be prepared and signed by the City Clerk and approved by the Board of Aldermen and signed by the Mayor immediately upon approval to provide an attestation that the minutes are a correct record of the matters discussed and actions taken during the board meetings.

B. Board minutes did not always include sufficient detail of matters discussed and actions taken. We noted the following concerns:

- 1) Votes by alderman are not recorded.
- 2) Members present or absent at the board meetings are not recorded.
- 3) It is not always clear what is being voted on.

Section 610.020, RSMo 2000, states that the minutes shall include the date, time, place, members present, members absent, and a record of votes taken. Complete and accurate minutes provide an official record of board actions and decisions.

C. Notices of the regular board meetings and tentative agendas are not posted as required by law. Section 610.020, RSMo 2000, requires all public governmental bodies to give advance notice of their meetings. The notice is to include the time, date, and place of the meeting, as well as the tentative agenda, and should be given in a reasonable manner. This section of law describes reasonable notice as making available copies of the notice to any representative of the news media, and the posting of such notice at the building where the meeting is to be held.

**WE RECOMMEND** the Mayor and Board of Aldermen:

- A. Require the Mayor and City Clerk to sign the minutes, and ensure the current minutes clearly indicate approval of the prior minutes by the Board.
- B. Ensure that the minutes are complete and precise.
- C. Ensure notices of the board meetings, including a tentative agenda, are posted in accordance with state law.

**AUDITEE'S RESPONSE**

*The Board of Aldermen indicated:*

- A. *The Mayor and City Clerk will sign all minutes after they have been approved.*
- B. *They will try to make all minutes complete and precise.*
- C. *They will post all board meetings and make an agenda.*

- A. The city does not maintain a general fixed asset list that records assets owned. In addition, the city does not perform physical inventories and does not tag or otherwise identify the fixed assets as property of the city. According to the City Collector, the city owns a police car, fire truck, road grader, tractor, lawn mower, copy machine, refrigerator, freezer and four window air conditioning units.

Property records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur. Additions should be reconciled to purchases annually. Complete and accurate general fixed asset records are necessary to ensure better internal control over city property and provide a basis for determining proper insurance coverage required on city property. Physical inventories are necessary to ensure the fixed asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets. In addition, all property items should be identified with a tag or similar device.

- B. The city does not maintain usage logs for the city police car. From November 2000 through January 2001, the city paid \$146 for gasoline for the police car. During the remaining 11 months of 2001, the police car gasoline purchases totaled only \$246. At the January 1, 2001, Board of Aldermen's meeting, board members questioned why the former Marshal was using the city's police car for personal use. Though discussed during the meeting that he was using the city's police car because his personal car was being repaired, no vote was noted in the minutes approving the personal use and no reimbursement for the personal use was made. By not having a usage log the city cannot be assured that the gasoline purchases for the vehicle during this period were reasonable and for city business.

A usage log should indicate the person using the vehicle/equipment, the date, destination, purpose, starting and ending odometer reading, and the amount of fuel in gallons purchased. Without adequate vehicle logs, city officials cannot effectively monitor that vehicles are used for official business only.

**WE RECOMMEND** the Mayor and Board of Aldermen:

- A. Establish property records for general fixed assets that include all pertinent information for each asset, such as tag number, description, serial number (if applicable), cost, acquisition date, fund of acquisition, location, and subsequent transactions. Additionally, the city should properly tag, number, or otherwise identify all city property and conduct periodic physical inventories.

- B. Restrict the police car to official business only. In addition, the Board of Aldermen should require complete and accurate mileage/use logs be maintained. City officials should review these logs periodically to monitor the usage of the police car.

**AUDITEE'S RESPONSE**

*The Board of Aldermen indicated:*

- A. *They will have a form made up so that they can record all city property and they will also tag each item.*
- B. *They have already restricted the police car to official business only, and the Marshal has already started using a mileage log that can be shown to the city monthly.*

**7.**

**Ordinances**

- A. Improvement is needed in the organization of the city's ordinances. The city's ordinances have not been codified, thus hindering the city's ability to locate specific ordinances. In addition, many of the ordinances now in effect appear outdated or do not represent current practices. For example, Ordinance #178 states the City Clerk shall receive a salary of \$60 per month; however, current records indicate she is receiving \$100 per month for this duty. Also, Ordinance #177 states the Marshal shall receive \$180 per month and current records show he is receiving \$200 per month.

Since the ordinances represent legislation which has been passed by the Board of Aldermen to govern the city and its residents, it is imperative the city's ordinances be complete, well organized, and current.

- B. The city has ordinances governing vehicle stickers and dog tags; however, these ordinances are not enforced. The city sold no dog tags during 2001 and sold only seven city stickers. By not enforcing these ordinances, the city is not collecting all possible receipts. According to the 2001 personal property tax book, there were approximately 185 vehicles that would require a city sticker. At \$4 a sticker this would generate \$740 in receipts for the city. In addition, in 2001, the city paid \$115 to purchase vehicle stickers that were not used.

**WE RECOMMEND** the Mayor and Board of Aldermen:

- A. Ensure a complete and up-to-date set of ordinances is maintained. This would include passing new ordinances where appropriate and required.
- B. Enforce city ordinances requiring city stickers and dog tags.

**AUDITEE'S RESPONSE**

*The Board of Aldermen indicated:*

- A. *They plan to start updating all city ordinances and passing new ordinances where appropriate and required.*
- B. *They have already started enforcing the city sticker ordinance and have ordered tags so that they can start enforcing the dog tag ordinance.*

<b>8. Park Board and Volunteer Fire Department</b>
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The relationships between the city and the Park Board and Volunteer Fire Department are unclear.

- A. There is no ordinance or agreement stating the duties and responsibilities of the Park Board. The Park Board maintains a separate bank account for donations and monies received from fund raising activities to purchase equipment for and help maintain the city park.
- B. There is no ordinance or agreement stating the duties and responsibilities of the Volunteer Fire Department. The city provides the fire truck and the costs associated with operating the fire truck such as insurance and gasoline. The Fire Department maintains a separate bank account for donations and monies received from fund raising activities and purchases equipment for the fire department.

The present situation places the city and the Park Board and Fire Department in a position of not knowing the relationship and corresponding requirements of each entity. The city needs to determine the relationship between the city and the entities and establish ordinances or agreements stating the duties and responsibilities of each entity including who owns the equipment purchased and requiring periodic reporting of the receipts and disbursements of the Park Board and Fire Department.

**WE RECOMMEND** the Mayor and Board of Aldermen enter into written agreements with the Park Board and the Volunteer Fire Department stating the various entities' duties and responsibilities.

**AUDITEE'S RESPONSE**

*The Board of Aldermen indicated they will contact the Park Board and draw up an ordinance establishing the duties and responsibilities of the Park Board. They will enter into an agreement with the Fire Department outlining each of their duties and responsibilities.*

This report is intended for the information of the management of the city of Canalou, Missouri and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

CITY OF CANALOU, MISSOURI  
HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

The city of Canalou, Missouri is located in New Madrid County. The city was incorporated in 1910 as a fourth-class city. The population of the city in 2000 was 348.

The city government consists of a mayor and four-member board of aldermen. The members are elected for two-year terms. The mayor is elected for a two-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other principal officials at December 31, 2001, were:

<u>Elected Officials</u>	<u>Term Expires</u>	<u>Compensation Paid for the Year Ended December 31, 2001</u>
Charles Joyce, Mayor (1)	April 2004	\$ 105
Steve Joyce, Ward 1 Alderman	April 2004	60
Gary Deen, Ward 2 Alderman	April 2003	70
Frances Abernathy, Ward 1 Alderwoman	April 2003	55
Rebecca Laster, Ward 2 Alderwoman (2)	April 2002	30
Joy Russom, City Collector (3)	April 2004	2,280
James Russom, City Marshal (4)	April 2002	2,400
 <u>Other Principal Officials</u>		
Vacant, Municipal City Judge(5)		\$
Joseph Fuchs, City Attorney		550

- (1) Appointed Mayor September 3, 2001, after the resignation of Larry Graham.
- (2) Appointed Ward 2 Alderwomen August 6, 2001, after the resignation of Doyle Nelson. In April 2002, Clifton "Bubby" Southard was elected to this position.
- (3) Joy Russom is also the appointed City Clerk and City Treasurer. Compensation for City Clerk is \$100 per month, for City Collector is \$90 per month, and City Treasurer is \$0 per month.
- (4) Blake Sindle was elected City Marshall in April 2002.
- (5) Jan Hatcher was the Municipal City Judge until her resignation in October 2001. The position was vacant until April 2002 when Rebecca Laster was elected Municipal City Judge.

On December 31, 2001, the city employed an additional 3 part-time employees.

Assessed valuations and tax rates for 2001 were as follows:

ASSESSED VALUATION	
Real estate	\$ 439,610
Personal property	355,526
Total	<u>\$ 795,136</u>

TAX RATES PER \$100 ASSESSED VALUATION

	Rate
General Fund	<u>\$ .7161</u>

A summary of the city's financial activity for the year ended December 31, 2001, is presented below.

RECEIPTS:	Sewer				Total
	General Fund	Street Fund	Project Fund	CDBG Fund	
City property tax	\$ 4,878	0	0	0	4,878
City stickers	28	0	0	0	28
Utility franchise tax	8,862	0	0	0	8,862
Gasoline tax	0	13,341	0	0	13,341
Court fees	148	0	0	0	148
Sewer project grant	0	0	164,010	0	164,010
Donations	0	0	0	0	0
Interest	72	0	0	0	77
Other	113	0	0	0	113
Total receipts	14,101	13,341	164,010	0	191,452
DISBURSEMENTS:					
Salaries and fringe benefits	6,626	1,333	0	0	7,959
Insurance	1,578	0	0	0	1,578
City stickers	187	0	0	0	187
Drainage ditch taxes	0	220	0	0	220
Election costs	628	0	0	0	628
Professional dues/services	870	0	0	0	870
Street repairs/lawn services	0	4,473	0	0	4,473
Sewer installation	0	0	116,693	0	116,693
Utilities	1,643	2,418	0	0	4,061
Street light program	0	3,128	0	0	3,128
Trash removal	342	214	0	0	456
Building improvements	1,949	0	0	0	1,450
Office supplies and maintenance	570	0	0	0	320
Fuel, vehicle & equipment	297	2,011	0	0	2,308
Fundraisers	0	0	0	0	0
Other	876	367	0	0	2,092
Total expenditures	15,566	14,164	116,693	0	146,423
Receipts over (under) disbursements	(1,465)	(823)	47,317	0	45,029
Cash Balance, January 1, 2001	2,482	12,884	0	500	15,866
Cash Balance, December 31, 2001	\$ 1,017	12,061	47,317	500	60,895